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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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09/873,259

06/05/2001

Teruo Tanaka

NIT-278

5965

24956 7590 09/22/2009  
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EXAMINER

CHENCINSKI, SIEGFRIED E

ART UNIT

PAPER NUMBER

3695

MAIL DATE

DELIVERY MODE

09/22/2009

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 09/873,259	<b>Applicant(s)</b> TANAKA ET AL.	
	<b>Examiner</b> SIEGFRIED E. CHENCINSKI	<b>Art Unit</b> 3695	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 03 August 2009.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1 and 3-13 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1 & 3-13 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☒ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## DETAILED ACTION

### ***Continued Examination Under 37 CFR 1.114***

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on August 3, 2009 has been entered.

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

2. **Claims 1 and 3-13 are rejected under 35 U.S.C. 112, first paragraph**, as failing to comply with the written description requirement. The independent claim(s) contain subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. The expressions "unique item" and "single item" are not found in the specification and thus fails to have the required support for independent claims 1, 5, 8 and 11. The dependent claims are rejected due to their dependence on the independent claims.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the

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invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**3. Claims 1, 3 & 4 are rejected** under 35 U.S.C. 103(a) as being unpatentable over Huberman (US Patent 5,826,244) in view of Kinney et al. (US Patent 7,249,085 B1, hereafter Kinney), Shoham et al. (US Patent 6, 285,989, hereafter Shoham), Odom et al. (US Patent 6,058,379, hereafter Odom) and Koopersmith (US Pregrant Publication 2001/0042002 A1).

**Re. Claim 1**, Huberman discloses a method for an auction brokerage service provided by a computer server that resides between an information terminal of a user and auction servers to perform brokerage operation for an auction. Huberman also discloses a computer automated third party broker service for administering an auction process between sellers and prospective customers (Abstract, ll. 1-2). Huberman further discloses multiple auctions (Col. 7, ll. 12-15; Col. 18, ll. 38-41) and communicating with the customer's user information terminal to notify of the auction result information (Col. 3, l. 59 – Col. 4, l. 18).

Huberman does not explicitly disclose a method for:

- Selecting information of said auction servers suitable for the user's conditions from among stored information related to said auction servers, in response to a request from said information terminal;
- Auctioning of a unique item
- Transmitting an auction registration request in the name of the user to each of the auction servers at the auction sites, that have been selected by the user from among the selected auction servers at the selected auction sites to receive a notification that the an auctioned commodity of the user has been registered at the selected auction servers, the selected auction servers auctioning the auctioned commodity simultaneously at the selected auction sites to the plurality of buyers accessing the selected auction sites;
- Notifying said information terminal of the auction result information and outputting the auction result, wherein said auction servers are other brokerage computers

which accept bids from a plurality of information terminals for the auctioned commodity.

However, Kinney discloses “enabling each individual bidder to view a comparison of submitted bids in their own context” (Abstract, ll. 7-9), i.e. each bidder sees the other bids in real time.

Kinney also discloses auctioning of a unique item (Col. 7, ll. 51-53, 64-67). Further, the ordinary practitioner would have seen the auctioning of a unique items as obvious since the auctioning of unique items has been widely publicized in school textbooks (e.g. the Hope Diamond’s auction price) and Christie’s auctioning of unique items of art, diamonds, jewelry and other unique items had been widely publicized in the mass media for generations prior to applicant’s invention.

Shoham discloses “multiple auctions simultaneously” (Col. 12, ll. 28-29), and the notification of the participant of the progress of a bid (Col. 14, ll. 11-16; Col. 14, l. 65 – Col. 15, l. 8; Col. 15, ll. 14-20).

Odom discloses multiple concurrent auctions (Col. 10, l. 10; Col. 10, l. 37 – Col. 11, l. 9). A preferred embodiment disclosed is in the trading of SEC listed stocks (i.e. registered equities). This auction activity is taking place during normal business hours simultaneously with auctioning of the same securities on one or more exchanges.

Koopersmith discloses a search server searching a data base of web site addresses for web sites fitting a certain word definition. Such a search is likely to bring up a number of qualified web sites, which are essentially contained in a server. Koopersmith’s example illustrates a search for suppliers of toasters (page 1, [0004]-ll. 8-16). It would have been obvious to the practitioner that a similar automated search would have located servers which offer commodity auction servers which meet the seller’s commodity criteria.

Selecting information of said auction servers suitable for the user’s conditions from among stored information related to said auction servers, in response to a request from said information terminal is implicit in Kinney, Shoham and Odom.

Transmitting an auction registration request in the name of the user to each of the auction servers that have been selected by the user from among the selected auction servers to receive a notification that an auctioned commodity of the user has been

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registered at the auction servers is also implicit in Huberman, Kinney, Shoham and Odom because the users implicitly are making these selections through their participation and approval. Registration of a user is implicit in each auction reference such as in Huberman and Shoham. It is obvious that registration information is transmitted by the intermediary on behalf of the user to each auction related entity as needed since this is part of the intermediary's service to benefit the user. It is also obvious that the intermediary is acting in the name of the user.

Based on the above disclosures the ordinary practitioner of the art at the time of Applicant's invention would have found it obvious that servers would be at the auction sites selected by the user, that commodities being auctioned would be registered at the selected auction servers, and, from Shoham above, that selected items could be auctioned simultaneous at the selected auction servers.

Hence, the disclosures by Huberman Kinney, Shoham, Odom and Koopersmith, combined with the well known practices cited above, would have made it obvious to the ordinary practitioner to

- selecting information of said auction servers suitable for the user's conditions from among stored information related to said auction servers, in response to a request from said information terminal;
- transmitting an auction registration request in the name of the user to each of the selected auction servers to receive a notification that the unique commodity item of the user has been registered at the selected auction servers, the selected auction servers auctioning the unique commodity item simultaneously to the plurality of buyers accessing the selected auction servers sites; and
- notifying said information terminal of the auction result of the unique item and outputting the auction result,
- wherein said selected auction servers are other brokerage computers which accept bids from a plurality of information terminals for the unique commodity item.

Neither Huberman, Kinney, Shoham, Odom, or Koopersmith explicitly disclose a method for auction brokerage service further comprising a step of “gathering trade information of how the unique commodity item has been bid for at the selected auction servers and tendering to the other selected auction servers the highest tendered price of the bids in the name of a substitute in order to adjust the bid prices to the highest price over all the selected auction sites servers”. However, Applicant has chosen to define the notification step in the specification as meaning the option of “Specifically, the auction site monitoring section 242 may place .... Or it may alter the lower limit of the desired price of such commodity into the highest tendered price in the name of the user” (Specification, page 15, ll. 13-23). The option of changing an offer price such as the minimum acceptable price in an auction was well known at the time of Applicant’s invention. This well known and well established practice not only has a basis as an old practice prior to the consummation of a transaction, but it is also embedded in US law. An offer may be changed or withdrawn at any time before it is legally accepted. Therefore, it would have been obvious to an ordinary practitioner at the time of Applicant’s invention to have combined the disclosures of Huberman with the disclosures of Kinney, Shoham, Odom, Koopersmith and well known practices for the purpose of gathering trade information of how the auctioned commodity has been bid for at the selected auction servers and notifying the other selected auction servers and notifying the other selected auction sites of the highest tendered price of the bids in order to adjust the bid prices to the highest price over all the auction sites. As a result, it would have been obvious to an ordinary practitioner at the time of Applicant’s invention to have combined the disclosures of Huberman with the disclosures of Kinney, Shoham, Odom and Koopersmith and well known practices for the purpose of providing computer automated third party multi auction brokerage services for the auctioning of a unique item for a client through a computer link, motivated by an opportunity to establish better prices for the sale of commodities through a more efficient auction process through electronically networked, highly automated, brokered auctions (Huberman, Col. 2, ll. 50-51, 55-56).

**Re. Claim 3,** neither Huberman, Kinney, Shoham, Odom, or Koopersmith explicitly disclose a step of requesting the selected auction servers to alter the desired price specified by the user according to the user's instruction when the computer has found that there is no bid for the commodity at any relevant auction sites by the date specified by the user. The practice of changing an offer price such as by reducing the offer price when there have been no offers at a given price was well known in the art of auctions and in the basic selling art in cases when an item was confirmed to have been legitimately exposed to prospective buyers ("where the commodity had been registered (in an auction) by the date specified by the user"). Therefore, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined the disclosures of Huberman with the disclosures of Kinney, Shoham, Odom, Koopersmith and well known practices for the purpose of operating a method for an auction brokerage service, motivated by an opportunity to establish better prices for the sale of commodities through a more efficient auction process through electronically networked, highly automated, brokered auctions (Huberman, Col. 2, ll. 50-51, 55-56).

**Re. Claim 4,** neither Huberman, Kinney, Shoham, Odom, or Koopersmith explicitly disclose a method for notifying the other auction sites of canceling the registration of the commodity by an auction site with which the trade has concluded. Removing an item from being offered for sale after a sale has been made is a logical step to take, and was a well established practice in the art at the time of Applicant's invention. Therefore, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined the disclosures of Huberman with the disclosures of Kinney, Shoham, Odom, Koopersmith and well known practices for the purpose of notifying the other auction sites of canceling the registration of the commodity by an auction site with which the trade has concluded, motivated by an opportunity to establish better prices for the sale of commodities through a more efficient auction process through electronically networked, highly automated, brokered auctions (Huberman, Col. 2, ll. 50-51, 55-56).

**4. Claims 5-10 are rejected** under 35 U.S.C. 103(a) as being unpatentable over Huberman in view of Kinney, Shoham, Odom and Koopersmith

**Re. Claims 5 & 8,** the rejection of claim 1 states what Huberman, Kinney, Shoham, Odom and Koopersmith disclose regarding auctioning services. Huberman does not explicitly disclose the detailed specifics of a method and a computer used in executing by a brokerage computer residing between a user computer of an auction user and auction computers of auction organizers to perform brokerage operations for auctions, the method and system comprising steps of:

- (a) receiving information about the auctioned commodity and at least one specified auction organizer from the user computer;
- (b) sending the information about the auctioned commodity in the name of the user to the auction computers of the specified auction organizers, the auction computers auctioning the auctioned commodity simultaneously to the plurality of buyers accessing the specified auction organizers;
- (c) gathering trade information of how the auctioned commodity has been bid for at the specified auction organizers;
- (d) tendering to the other auction computers of the specified auction organizers the highest bid price of the bid prices in the name of a substitute in order to adjust the bid prices to the highest price over all the auction computers of the specified auction organizers; and
- (e) taking an action in accordance with conditions specified by the user computer if the brokerage computer has found that there is not bid for the commodity at any auction computers of the specified auction organizers by the date specified by the user including notifying said user computer of the auction result information and outputting the auction result, wherein said auction computers are other brokerage computers of the specified auction organizers which accept bids from a plurality of other computers for the auctioned commodity.

However, at the time of Applicant's invention, please refer to the rejection of claim 1 for rejection background fundamentals regarding a method executed by a brokerage computer residing between a user computer of an auction user and auction computers of auction organizers to perform brokerage operations for auctions of a unique item. Further,

- (1) Use of third party service providers or brokers performed through computer automated methods and means was well known (Huberman, Col. 1, ll. 35-40).
- (2) Offering of commodities on multiple parallel auction services was well known (See the rejection of claim 1).
- (3) The various tasks to be performed by a third party service provider for a customer within the scope of the assignment, including communications tasks and other steps, was implicit and obvious to the performance of a third party service.
- (4) It also was obvious that auction organizers and the web sites and web servers they are using are interchangeable to a user in such auctions since the web sites and related servers are merely inert apparatus which operate according to the programming instructions of their organizers and the operators who may be working in their employ. Thus, the auction sites represent their organizers and can be considered interchangeable for purposes of the limitations in these claimed inventions..

In this case, an ordinary practitioner of the art at the time of Applicant's invention would have found it obvious to combine the disclosures of Huberman with Kinney, Shoham, Odom and Koopersmith for the purpose of providing the service of an auction brokerage operation for a user customer, motivated by an opportunity to establish better prices for the sale of commodities through a more efficient auction process through electronically networked, highly automated, brokered auctions (Huberman, Col. 2, ll. 50-51, 55-56).

**Re. Claims 6 & 9,** Huberman does not explicitly disclose the detailed specifics of a method and means for execution comprising a step of requesting the auction organizers to alter the desired price specified by the auction user according to the instruction of the auction user if no bid has been found by the specified date. See the rejection of claim 5 regarding auction organizers. However, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have notify the computing environment at the side of said auction organizers of alternation of the desired price according to the instruction of the auction user if no buyer has been found for said auctioned commodity at all of said auction organizers by the date specified by the auction user for the reasons stated in the rejection of claim 3. Therefore, an ordinary practitioner of the art at the time of Applicant's invention would have found it obvious to combine the disclosures of

Huberman with the disclosures of Huberman with Kinney, Shoham, Odom and Koopersmith for the purpose of requesting the auction sites to alter the desired price specified by the user according to the instruction of the auction user if no bid has been found by the specified date, motivated by an opportunity to establish better prices for the sale of commodities through a more efficient auction process through electronically networked, highly automated, brokered auctions (Huberman, Col. 2, ll. 50-51, 55-56).

**Re. Claims 7 & 10**, Huberman does not explicitly disclose the detailed specifics of a method comprising a step of notifying the other auction sites of canceling the registration of the unique item by an auction site with which the trade has concluded. However, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have notify the computing environment at the side of said auction organizers of cancellation of registration when any buyer has been found at any of said auction organizers and the auction is terminated for the reasons stated in the rejection of claim 4, motivated by an opportunity to establish better prices for the sale of commodities through a more efficient auction process through electronically networked, highly automated, brokered auctions (Huberman, Col. 2, ll. 50-51, 55-56).

**5. Claims 11-13 are rejected** under 35 U.S.C. 103(a) as being unpatentable over Huberman in view of Kinney), Shoham, Odom and Koopersmith.

**Re. Claim 11**, the rejection of claim 1 states what Huberman, Kinney, Shoham, Odom and Koopersmith disclose regarding auctioning services regarding the auctioning of a unique item. It would have been obvious to the ordinary practitioner at the time of Applicant's invention to have used the same disclosures and his own knowledge to establish a method and computer systems for auctioning a single item, since the process is essentially the same. Further, the ordinary practitioner would have seen the auctioning of a single item as obvious since the auctioning of single items has been widely publicized in school textbooks (e.g. the Hope Diamond's auction price) and Christie's auctioning of single items of art, diamonds, jewelry and other single items had been widely publicized in the mass media for generations prior to applicant's invention.

Therefore, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined the disclosures of Huberman with the disclosures of Kinney, Shoham, Odom and Koopersmith and well known practices for the purpose of providing computer automated third party multi auction brokerage services for the auctioning of a single item for a client through a computer link, motivated by an opportunity to establish better prices for the sale of commodities through a more efficient auction process through electronically networked, highly automated, brokered auctions (Huberman, Col. 2, ll. 50-51, 55-56).

**Re. Claim 12**, please see the rejection of claim 3 regarding the auctioning when there is no bid and the rejection of claim 11 regarding the auctioning of single items.

**Re. Claim 13**, please see the rejection of claim 4 regarding the canceling of the registration of an auction item and the rejection of claim 11 regarding the auctioning of single items.

### ***Response to Arguments***

6. Applicant's arguments received on August 3, 2009 regarding claims 1 and 3-13 have been fully considered but they are not persuasive regarding claims 1 and 3-10 and they are moot in view of the new basis of rejection of new claims 11-13.

#### **ARGUMENT: Re. Claims 1 and 3-10, with Claim 1 as exemplary:**

"Applicants respectfully submit that independent claim 1 as amended is patentable over Huberman, Kinney, Shoham, Odom, and Koopersmith because, for instance, they do not teach or suggest a method for auction brokerage service provided by a computer that resides between an information terminal of a user putting up a unique item to be an auctioned item and a plurality of auction servers accessed by a plurality of buyers to perform brokerage operation for an auction of the unique item among the auction servers, the method comprising the step of transmitting an auction registration request in the name of the user to each of the selected auction servers to receive a notification that the unique item of the user has been registered at the selected auction servers, the selected auction servers auctioning the unique item simultaneously to the plurality of

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buyers accessing the selected auction servers.” (p. 9. l.14 – p. 10, l. 2; p. 9. l. 14 – p. 17. l. 3).

**RESPONSE:**

**1. IN THE MATTER OF LAW re. 103(a) OBVIOUSNESS REJECTIONS**

**a) KSR and In re Kahn**

The Court noted that “[t]o facilitate review, this analysis should be made explicit. *Id.* (citing *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”). However, “the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” *Id.* at 1741, 82 USPQ2d at 1396.

**b) >I. < RATIONALE MAY BE IN A REFERENCE, OR REASONED FROM COMMON KNOWLEDGE IN THE ART, SCIENTIFIC PRINCIPLES, ART-RECOGNIZED EQUIVALENTS, OR LEGAL PRECEDENT**

The rationale to modify or combine the prior art does not have to be expressly stated in the prior art; the rationale may be expressly or impliedly contained in the prior art or it may be reasoned from knowledge generally available to one of ordinary skill in the art, established scientific principles, or legal precedent established by prior case law. *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). See also *In re Kotzab*, 217 F.3d 1365, 1370, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000) (setting forth test for implicit teachings); *In re Eli Lilly & Co.*, 902 F.2d 943, 14 USPQ2d 1741 (Fed. Cir. 1990) (discussion of reliance on legal precedent); *In re Nilssen*, 851 F.2d 1401, 1403, 7 USPQ2d 1500, 1502 (Fed. Cir. 1988) (references do not have to explicitly suggest combining teachings); *Ex parte Clapp*, 227 USPQ 972 (Bd. Pat. App. & Inter. 1985) (examiner must present convincing line of reasoning supporting rejection); and *Ex parte Levengood*, 28 USPQ2d 1300 (Bd. Pat. App. & Inter. 1993) (reliance on logic and sound scientific reasoning). ”.

**c) Burden of Proof**

“[T]he PTO can require an applicant to prove that the prior art products do not necessarily or inherently possess the characteristics of his [or her] claimed product. Whether the rejection is based on inherency’ under 35 U.S.C. 102, on prima facie obviousness’ under 35 U.S.C. 103, jointly or alternatively, the burden of proof is the

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same...[footnote omitted].” The burden of proof is similar to that required with respect to product-by-process claims. *In re Fitzgerald*, 619 F.2d 67, 70, 205 USPQ 594, 596 (CCPA 1980) (quoting *In re Best*, 562 F.2d 1252, 1255, 195 USPQ 430, 433-34 (CCPA 1977)).” (MPEP § 2112.01).

**d) TEACHING AWAY**

The concept of “teaching away” has technical foundations and requirements. This can be seen in the court’s detailed opinion in the case of *W.L. Gore & Associates v. Garlock, Inc.* This involves a teaching of “stretching said (unsintered) PTFE at a 10% per second rate to more than five times the original length. .... A reference teaching rapid stretching of conventional plastic polypropylene with reduced crystallinity combined with a reference teaching stretching unsintered PTFE, would not have suggested rapid stretching of highly crystalline PTFE, in light of the disclosures in the art that teach away from the invention, i.e., that the conventional polypropylene should have reduced crystallinity before stretching, and that PTFE should be stretched slowly”. Having read this court opinion, the examiner concluded that the relevant aspect of the opinion turned on the court’s finding that a technical error had been argued in the justification of an obviousness combination of two teachings. The court finding of a technical distinction in this case could not be clearer. The court found that the combination of the properties of two unrelated polymers was technically incompatible and thus the teachings could not be properly combined. Thus the court followed common sense logic. This court illustration demonstrates that the “teaching away” doctrine has limited, narrow technical validity of a common sense variety. The combinations in a computer software driven process have few if any real technical limitations and/or barriers which are similar to the above scientific barriers in the properties of materials. Therefore, Applicant has to demonstrate why a software driven process cannot combine a variety of narrow teachings and suggestions to achieve a desired overall process.

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## e) MPEP 2145 Consideration of Applicant's Rebuttal Arguments [R-3]

### I. ARGUMENT DOES NOT REPLACE EVIDENCE WHERE EVIDENCE IS NECESSARY

Attorney argument is not evidence unless it is an admission, in which case, an examiner may use the admission in making a rejection. See [MPEP § 2129 <2100\\_2129.htm>](#) and [§ 2144.03 <2100\\_2144\\_03.htm>](#) for a discussion of admissions as prior art.

The arguments of counsel cannot take the place of evidence in the record. *In re Schulze*, 346 F.2d 600, 602, 145 USPQ 716, 718 (CCPA 1965); *In re Geisler*, 116 F.3d 1465, 43 USPQ2d 1362 (Fed. Cir. 1997) ("An assertion of what seems to follow from common experience is just attorney argument and not the kind of factual evidence that is required to rebut a *prima facie* case of obviousness."). See [MPEP § 716.01\(c\) <0700\\_716\\_01\\_c.htm>](#) for examples of attorney statements which are not evidence and which must be supported by an appropriate affidavit or declaration.

### f) PREDICTABLE RESULTS

"..., in *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727 (2007), the Supreme Court emphasized "the need for caution in granting a patent based on the combination of elements found in the prior art," *id.* at 1739 and discussed circumstances in which a patent might be determined to be obvious without an explicit application of the teaching, suggestion, motivation test. In particular, the Supreme Court emphasized that "the principles laid down in *Graham* reaffirmed the 'functional approach' of *Hotchkiss*, 11 How. 248." *KSR*, 127 S.Ct. at 1739 (citing *Graham*, 383 U.S. at 12 (emphasis added)), and reaffirmed principles based on its precedent that "[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results." *Id.* The Court explained: When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill."

### g) MPEP 716, UNEXPECTED RESULTS

#### 716.02 Allegations of Unexpected Results

Any differences between the claimed invention and the prior art may be expected to result in some differences in properties. The issue is whether the properties differ to such an extent that the difference is really unexpected. *In re Merck & Co.*, 800 F.2d

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1091, 231 USPQ 375 (Fed. Cir. 1986) (differences in sedative and anticholinergic effects between prior art and claimed antidepressants were not unexpected). In *In re Waymouth*, 499 F.2d 1273, 1276, 182 USPQ 290, 293 (CCPA 1974), the court held that unexpected results for a claimed range as compared with the range disclosed in the prior art had been shown by a demonstration of "a marked improvement, over the results achieved under other ratios, as to be classified as a difference in kind, rather than one of degree." Compare *In re Wagner*, 371 F.2d 877, 884, 152 USPQ 552, 560 (CCPA 1967) (differences in properties cannot be disregarded on the ground they are differences in degree rather than in kind); *Ex parte Gelles*, 22 USPQ2d 1318, 1319 (Bd. Pat. App. & Inter. 1992) ("we generally consider a discussion of results in terms of differences in degree' as compared to differences in kind' . . . to have very little meaning in a relevant legal sense").

716.02(a) [R-2] Evidence Must Show Unexpected Results

## **2. IN THE INSTANT CASE**

a) As stated above in the case of law, it is the examiner's responsibility to determine the knowledge of one of ordinary skill in the art of an Applicant's invention and to adequately present rationale to support that determination. The examiner has accomplished this according to the various aspects of guidance provided by law, such of which is excerpted above.

b) The examiner has provided substantial and adequate combination of supporting evidence and rationale for the rejection under the 35 USC 103(a) obviousness statute, including a thorough exposition of what the ordinary practitioner would have known at the time of Applicant's invention. The rationale is repeated above for Applicant's convenience.

c) Applicant argues the concept of teaching away without explicitly using the term "teaching away" by reciting various detailed method steps and functions in the various references. As explained above regarding the teaching away principle as interpreted by case law, teaching away is confined to teachings involving technical arts where certain relationships in a process are dictated by scientific findings. These limitations do not exist in a business process or method, whether operated by hand or in a software driven computer system. In such instances, the examiner merely is permitted to pull out

a narrow and specific disclosure without dragging along other components of a larger system disclosed in the reference. This make moot Applicant's arguments that the specific context of the reference art prevents the obviousness conclusions cited by the examiner in the above rejections. For example, Applicant's argument on page 11, ll. 9-19, Applicant merely presents a section from Huberman without demonstrating with a combination of evidence and rationale how and why the ordinary practitioner of the art, based on his own knowledge and expertise, would not have come to the obviousness conclusions being argued. Another example is on pp. 12, l. 12 – p. 13, l. 9, where Applicant dismisses the carefully combined evidence from four references by stating that “it has nothing to do with multiple auctions by selected auction servers for the unique item”. Applicant's argument essentially dismisses the concept of obviousness which is embedded in statute and guided by extensive case law, most recently by the KSR decision by the US Supreme Court. IN this decision the court stated that a disclosure does not even have to be in an analogous art reference but can be found anywhere as long as it helps solve the problem at hand.

d) Applicant has failed to satisfy the required burden of proof, since the results of Applicant's invention are entirely predictable based on what the ordinary practitioner would have known. Further, Applicant has failed to present a case of unexpected results.

e) Regarding Applicant's argument that the expression “tendering” (p. 11, ll. ) is different from the examiner's rejection rationale is not persuasive. Contrary to Applicant's argument, all offers are “tendered” for acceptance. Otherwise they would not be offered or tendered. Applicant has failed to credibly demonstrate otherwise due to lack of the required evidence combined with a rationale sufficient to put the examiner's rejection rationale into serious doubt..

g) In conclusion, the examiner believes that he has presented a proper prima facie case of obviousness in satisfaction of the requirements of the MPEP and case law,

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some of which is presented above. As such, Applicant is referred to the detailed presentations of evidence and rationale presented in the above rejections under 35 USC 112-1<sup>st</sup> paragraph and under 35 USC 1-3(a).

### ***Conclusion***

7. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Siegfried Chencinski whose telephone number is (571)272-6792. The Examiner can normally be reached Monday through Friday, 9am to 6pm.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Charles Kyle, can be reached on (571) 272-6746.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Any response to this action should be mailed to:

*Commissioner of Patents and Trademarks, Washington D.C. 20231*

or Faxed to (571)273-8300 [Official communications; including After Final communications labeled "Box AF"]

or Faxed to (571) 273-6792 [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to the address found on the above USPTO web site in Alexandria, VA.

SEC

September 21, 2009

/Narayanswamy Subramanian/  
Primary Examiner, Art Unit 3695